

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL MEMORANDUM**

**SB 693 – HB 1907**

May 21, 2009

**SUMMARY OF AMENDMENT (008475):** Deletes all “whereas” clauses and establishes that the contracting entities and third party organizations included in the bill do not include any self-funded employer sponsored health insurance plan regulated under the Employee Retirement Income Security Act (ERISA) or any individual or entity that provides administrative services to the self-funded employer sponsored health plan. Requires an entity that enters into direct contracts with providers for the delivery of health care services to register with the Department of Commerce and Insurance within 30 days of commencing business in the state or within 90 days of January 1, 2010 unless the entity is a health insurer. Deletes the Department’s authority to establish reasonable fees to offset the costs of administering the provisions of the chapter. The Department will be able to charge fees to offset the cost of establishing the registration system.

**CORRECTED FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue - \$10,000/One-Time  
Increase State Expenditures - \$10,000/One-Time

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the corrected original fiscal note.**

Assumptions applied to amendment:

- The Department estimates a one-time increase in expenditures of \$10,000 for the development and implementation of the registration system which includes the online application registration system. The Department will charge fees in an amount necessary to cover the cost of the registration system.
- According to the Department of Commerce and Insurance, there will not be a significant number of registrations. Any cost incurred to assist applicants for registration will not be significant and can be

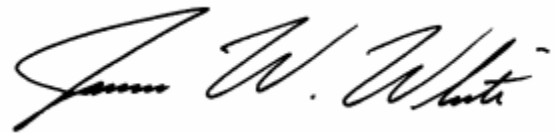
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accommodated within existing resources without an increased appropriation or reduced reversion.

- According to the Department, there will not be a significant number of complaints. Any cost incurred to investigate complaints will not be significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The provisions of the bill will not impact the TennCare program.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml